

District I  
1625 N French Dr, Hobbs, NM 88240  
District II  
1301 W Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S St Francis Dr, Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-141  
Revised October 10, 2003

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Submit 2 Copies to appropriate  
District Office in accordance  
with Rule 116 on back  
side of form

**Release Notification and Corrective Action**

**OPERATOR**

Initial Report  Final Report

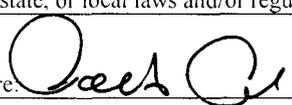
Name of Company Yates Petroleum Corporation	OGRID Number 25575	Contact Robert Asher
Address 104 S. 4 <sup>TH</sup> Street	Telephone No. 505-748-1471	
Facility Name Gill BGJ #1	API Number 30-025-37103	Facility Type Well
		Order Number IRP-1092
Surface Owner Fee	Mineral Owner Fee	Lease No.

**LOCATION OF RELEASE**

Unit Letter L	Section 29	Township 9S	Range 35E	Feet from the 1650	North/South Line South	Feet from the 660	East/West Line West	County Lea
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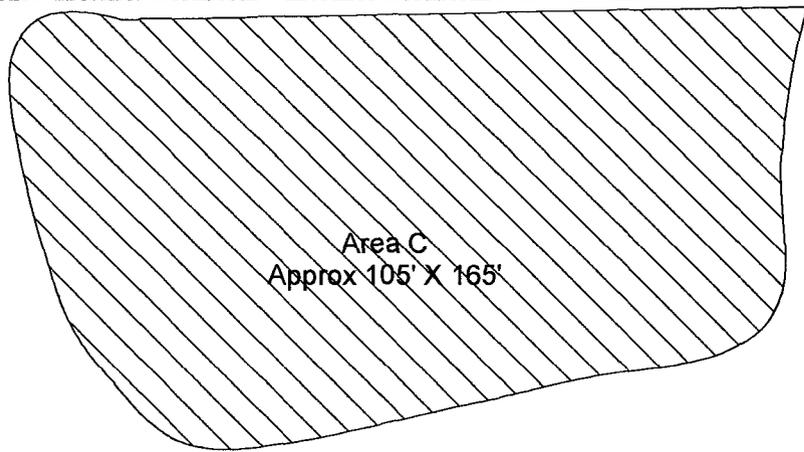
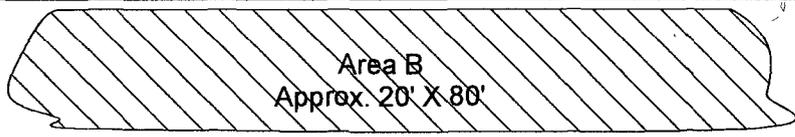
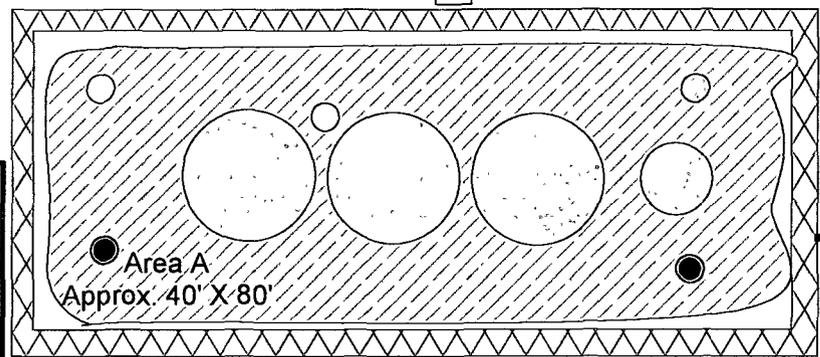
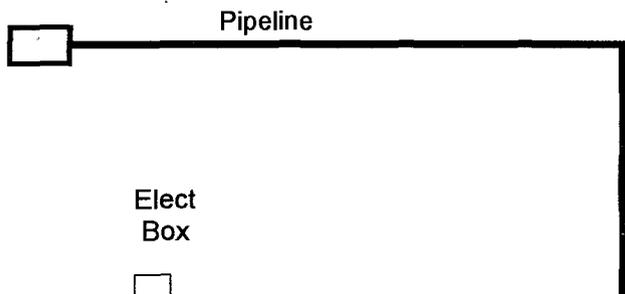
Latitude 33.50238 Longitude 103.38888

**NATURE OF RELEASE**

Type of Release Crude Oil and Produced Water	Volume of Release 35 B/PW	Volume Recovered 25 B/PW
Source of Release Tanks	Date and Hour of Occurrence 10/4/2006 7 00 AM	Date and Hour of Discovery 10/4/2006 7 00 AM
Was Immediate Notice Given? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Required	If YES, To Whom? Pat Caperton via phone notification and follow up e-mail.	
By Whom? N/A	Date and Hour N/A	
Was a Watercourse Reached? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If YES, Volume Impacting the Watercourse N/A	
If a Watercourse was Impacted, Describe Fully.* N/A	<b>RECEIVED</b>	
Describe Cause of Problem and Remedial Action Taken.* Water transfer pump overload trip causing water tank to overflow. Repaired.	FEB 12 2008	
Describe Area Affected and Cleanup Action Taken.* An approximate area of 20' x 18' Approximate chloride content of water is 28,993 ppm. Vacuum truck recovered remaining produced water. Contaminated soils were excavated and taken to an OCD approved facility Vertical and horizontal delineation conducted. <b>Depth to Ground Water: &gt;100'' (approx. 135''), Wellhead Protection Area: No, Distance to Surface Water Body: &gt;1000', SITE RANKING IS 0. Based on produced water recovered, soils excavated, analytical results and site ranking, Yates Petroleum Corporation requests closure.</b>	<b>HOBBS OCD</b>	
I hereby certify that the information given above is true and complete to the best of my knowledge and understand that pursuant to NMOCD rules and regulations all operators are required to report and/or file certain release notifications and perform corrective actions for releases which may endanger public health or the environment The acceptance of a C-141 report by the NMOCD marked as "Final Report" does not relieve the operator of liability should their operations have failed to adequately investigate and remediate contamination that pose a threat to ground water, surface water, human health or the environment In addition, NMOCD acceptance of a C-141 report does not relieve the operator of responsibility for compliance with any other federal, state, or local laws and/or regulations.		
Signature: 	<b>OIL CONSERVATION DIVISION</b>	
Printed Name: Robert Asher	Approved by District Supervisor: 	
Title: Environmental Regulatory Agent	Approval Date: <u>2/15/08</u>	Expiration Date: <u>2/15/08</u>
E-mail Address: boba@ypcnm.com	Conditions of Approval:	
Date: Tuesday, February 12, 2008	Phone: 505-748-4217	Attached <input type="checkbox"/>

\* Attach Additional Sheets If Necessary

F C O H D 804949364



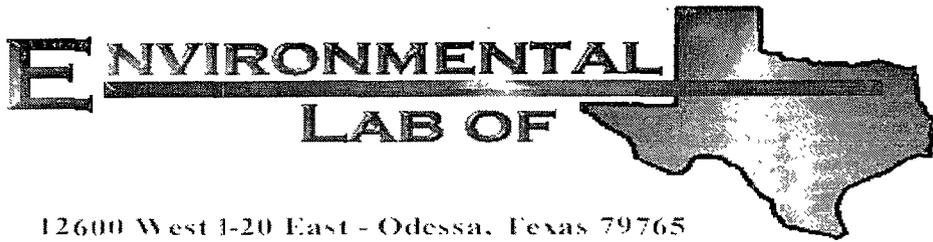
Sample ID	Sample Date	Sample Type	Depth	BTEX	TPH (GRO)	TPH (DRO)	TPH (TOTAL)	Chlorides
SP 1	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	296
SP 2	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	263
SP 3	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	422
SP 4	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	612
SP 5	10/26/2006	Grab/Auger	12"	ND	ND	ND	ND	157

Site Ranking is Zero (0). Depth to Ground Water >100 (approx. 135'). All results are ppm.



**Gill BGJ #1**  
**Section 29, T9S-R35E**  
**Lea County, NM**

**EXHIBIT**  
**Sample Diagram (Not to Scale)**  
  
Prepared by Robert Asher  
Environmental Regulatory Agent  
February 11, 2008



12600 West I-20 East - Odessa, Texas 79765

# Analytical Report

**Prepared for:**

Eb Taylor

Talon LPE- Hobbs

318 East Taylor Street

Hobbs, NM 88240

Project: Gill BGT #1

Project Number: YATESP026SPL

Location: Lea County, NM

Lab Order Number: 6J27010

Report Date: 11/02/06

Talon LPE- Hobbs  
318 East Taylor Street  
Hobbs NM. 88240

Project: Gill BGT #1  
Project Number: YATESP026SPL  
Project Manager: Eb Taylor

Fax (505) 393-4658

**ANALYTICAL REPORT FOR SAMPLES**

Sample ID	Laboratory ID	Matrix	Date Sampled	Date Received
SP 1 12"	6J27010-01	Soil	10/26/06 12:10	10-27-2006 13:35
SP 2 12"	6J27010-02	Soil	10/26/06 12:17	10-27-2006 13:35
SP 3 12"	6J27010-03	Soil	10/26/06 12:28	10-27-2006 13:35
SP 4 12"	6J27010-04	Soil	10/26/06 12:35	10-27-2006 13:35
SP 5 12"	6J27010-05	Soil	10/26/06 12.42	10-27-2006 13:35

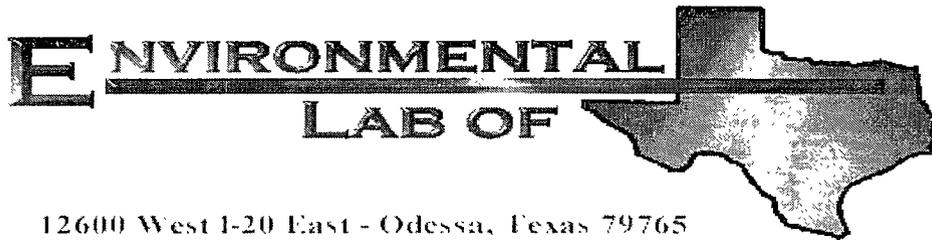
Talon LPE- Hobbs  
318 East Taylor Street  
Hobbs NM, 88240

Project: Gill BGT #1  
Project Number: YATESP026SPL  
Project Manager: Eb Taylor

Fax: (505) 393-4658

**General Chemistry Parameters by EPA / Standard Methods**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>SP 1 12" (6J27010-01) Soil</b>									
Chloride	296	10.0	mg/kg	20	EJ62901	10/29/06	10/29/06	EPA 300 0	
<b>SP 2 12" (6J27010-02) Soil</b>									
Chloride	263	10.0	mg/kg	20	EJ62901	10/29/06	10/29/06	EPA 300 0	
<b>SP 3 12" (6J27010-03) Soil</b>									
Chloride	422	10.0	mg/kg	20	EJ62901	10/29/06	10/29/06	EPA 300 0	
<b>SP 4 12" (6J27010-04) Soil</b>									
Chloride	612	10.0	mg/kg	20	EJ62901	10/29/06	10/29/06	EPA 300 0	
<b>SP 5 12" (6J27010-05) Soil</b>									
Chloride	157	5.00	mg/kg	10	EJ62901	10/29/06	10/29/06	EPA 300 0	



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Hobbs NM. 88240

Project. Gill BGT #1  
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SP 1 12"	6J27010-01	Soil	10/26/06 12:10	10-27-2006 13:35
SP 2 12"	6J27010-02	Soil	10/26/06 12:17	10-27-2006 13:35
SP 3 12"	6J27010-03	Soil	10/26/06 12:28	10-27-2006 13:35
SP 4 12"	6J27010-04	Soil	10/26/06 12:35	10-27-2006 13:35
SP 5 12"	6J27010-05	Soil	10/26/06 12:42	10-27-2006 13:35

Talon LPE- Hobbs  
 318 East Taylor Street  
 Hobbs NM, 88240

Project: Gill BGT #1  
 Project Number: YATESP026SPL  
 Project Manager: Eb Taylor

Fax: (505) 393-4658

**Organics by GC**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>SP 1 12" (6J27010-01) Soil</b>									
Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate a,a,a-Trifluorotoluene</i>		87.2 %	80-120		"	"	"	"	
<i>Surrogate 4-Bromofluorobenzene</i>		86.8 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
<i>Surrogate 1-Chlorooctane</i>		106 %	70-130		"	"	"	"	
<i>Surrogate 1-Chlorooctadecane</i>		70.2 %	70-130		"	"	"	"	
<b>SP 2 12" (6J27010-02) Soil</b>									
Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate a,a,a-Trifluorotoluene</i>		92.5 %	80-120		"	"	"	"	
<i>Surrogate 4-Bromofluorobenzene</i>		106 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
<i>Surrogate 1-Chlorooctane</i>		96.6 %	70-130		"	"	"	"	
<i>Surrogate 1-Chlorooctadecane</i>		71.4 %	70-130		"	"	"	"	
<b>SP 3 12" (6J27010-03) Soil</b>									
Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
<i>Surrogate a,a,a-Trifluorotoluene</i>		94.2 %	80-120		"	"	"	"	
<i>Surrogate 4-Bromofluorobenzene</i>		101 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	

Environmental Lab of Texas

*The results in this report apply to the samples analyzed in accordance with the samples received in the laboratory. This analytical report must be reproduced in its entirety, with written approval of Environmental Lab of Texas*

Talon LPE- Hobbs  
318 East Taylor Street  
Hobbs NM, 88240

Project Gill BGT #1  
Project Number YATESP026SPL  
Project Manager: Eb Taylor

Fax: (505) 393-4658

**Organics by GC**  
**Environmental Lab of Texas**

Analyte	Result	Reporting Limit	Units	Dilution	Batch	Prepared	Analyzed	Method	Notes
<b>SP 3 12" (6J27010-03) Soil</b>									
Surrogate 1-Chlorooctane		104 %	70-130		EJ63106	10/30/06	11/01/06	EPA 8015B	
Surrogate 1-Chlorooctadecane		70.4 %	70-130		"	"	"	"	
<b>SP 4 12" (6J27010-04) Soil</b>									
Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate a,a,a-Trifluorotoluene		94.2 %	80-120		"	"	"	"	
Surrogate 4-Bromofluorobenzene		108 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
Surrogate 1-Chlorooctane		105 %	70-130		"	"	"	"	
Surrogate 1-Chlorooctadecane		71.0 %	70-130		"	"	"	"	
<b>SP 5 12" (6J27010-05) Soil</b>									
Benzene	ND	0.0250	mg/kg dry	25	EJ63103	10/30/06	10/31/06	EPA 8021B	
Toluene	ND	0.0250	"	"	"	"	"	"	
Ethylbenzene	ND	0.0250	"	"	"	"	"	"	
Xylene (p/m)	ND	0.0250	"	"	"	"	"	"	
Xylene (o)	ND	0.0250	"	"	"	"	"	"	
Surrogate a,a,a-Trifluorotoluene		82.8 %	80-120		"	"	"	"	
Surrogate 4-Bromofluorobenzene		92.0 %	80-120		"	"	"	"	
Carbon Ranges C6-C10	ND	10.0	mg/kg dry	1	EJ63106	"	11/01/06	EPA 8015B	
Carbon Ranges >C10-C28	ND	10.0	"	"	"	"	"	"	
Total Carbon Range C6-C28	ND	10.0	"	"	"	"	"	"	
Surrogate 1-Chlorooctane		109 %	70-130		"	"	"	"	
Surrogate 1-Chlorooctadecane		71.4 %	70-130		"	"	"	"	

# Environmental Lab of Texas

## Variance/ Corrective Action Report- Sample Log-In

Client: Talson LPE  
 Date/ Time: 10/27/06 13:35  
 Lab ID #: 6521010  
 Initials: CP

### Sample Receipt Checklist

Client Initials

#	Question	Yes	No	Notes	Client Initials
#1	Temperature of container/ cooler?	Yes	No	4.0 °C	
#2	Shipping container in good condition?	Yes	No		
#3	Custody Seals intact on shipping container/ cooler?	Yes	No	Not Present	
#4	Custody Seals intact on sample bottles/ container?	Yes	No	Not Present	
#5	Chain of Custody present?	Yes	No		
#6	Sample instructions complete of Chain of Custody?	Yes	No		
#7	Chain of Custody signed when relinquished/ received?	Yes	No		
#8	Chain of Custody agrees with sample label(s)?	Yes	No	ID written on Cont./ Lid	*
#9	Container label(s) legible and intact?	Yes	No	Not Applicable	
#10	Sample matrix/ properties agree with Chain of Custody?	Yes	No		
#11	Containers supplied by ELOT?	Yes	No		
#12	Samples in proper container/ bottle?	Yes	No	See Below	
#13	Samples properly preserved?	Yes	No	See Below	
#14	Sample bottles intact?	Yes	No		
#15	Preservations documented on Chain of Custody?	Yes	No		
#16	Containers documented on Chain of Custody?	Yes	No		
#17	Sufficient sample amount for indicated test(s)?	Yes	No	See Below	
#18	All samples received within sufficient hold time?	Yes	No	See Below	
#19	VOC samples have zero headspace?	Yes	No	Not Applicable	

### Variance Documentation

Contact: Ed Taylor      Contacted by: Jeanne M. Murrey      Date/ Time: 10-27-06  
 Regarding: Sample time discrepancies

Corrective Action Taken:  
Reference sample times on labels

- Check all that Apply.
- See attached e-mail/ fax
  - Client understands and would like to proceed with analysis
  - Cooling process had begun shortly after sampling event

